

Principal Financial Statements

CONSOLIDATED BALANCE SHEET AS OF SEPTEMBER 30, 1999 (IN THOUSANDS)

ASSETS

Intragovernmental:	
Fund Balance with Treasury (Note 2)	\$ 4,700,185
Accounts Receivable, Net (Note 3)	85,891
Investments in Treasury Securities, Net (Note 4)	10,530
Advances and Prepayments (Note 5)	16,173
Total Intragovernmental	4,812,779
Cash (Note 6)	11,694
Accounts Receivable, Net (Note 3)	52,926
Loans Receivable and Related Foreclosed Property, Net (Note 7)	290,744
Inventory, Materials and Supplies (Note 8)	104,926
General Property, Plant, and Equipment, Net (Note 9)	4,082,449
Advances and Prepayments (Note 5)	24,932
Other (Note 10)	18,135
TOTAL ASSETS	\$ 9,398,585
LIABILITIES	
Intragovernmental:	
Accounts Payable	\$ 186,798
Debt to Treasury (Note 12)	151,894
Resources Payable to Treasury (Note 13)	92,309
Unearned Revenue	272,349
Other (Note 14)	49,767
Total Intragovernmental	753,117
Accounts Payable	544,922
Accrued Payroll and Annual Leave	308,080
NOAA Corps Employee Retirement Benefits and	
Actuarial FECA Liability (Note 15)	437,163
Environmental Cleanup Costs Liabilities (Note 16)	33,678
Capital Lease Liabilities (Note 17)	36,005
Unearned Revenue (Note 18)	371,594
Other (Note 14)	14,052
TOTAL LIABILITIES	\$ 2,498,611
Commitments and Contingencies (Note 20)	
NET POSITION	
Unexpended Appropriations (Note 21)	\$ 2,968,199
Cumulative Results of Operations (Note 21)	3,931,775
TOTAL NET POSITION	\$ 6,899,974
TOTAL LIABILITIES AND NET POSITION	\$ 9,398,585

The accompanying notes are an integral part of these statements.

CONSOLIDATING STATEMENT OF NET COST FOR THE YEAR ENDED SEPTEMBER 30, 1999 (IN THOUSANDS)

	NOA	\A	РТО	ESA	TA	Other Bureaus	General Administration	Combined Totals	Intra-Commerce Eliminations	Consolidated Totals
COSTS (Note 22):			-							
Strategic Goal 1: Expand Economic Growth, Trade, and Prosperity										
Intragovernmental	\$	- \$	- \$	331,865 \$	- \$	140,439	\$ 52,117	\$ 524,421	\$ (52,973) \$	471,448
With the public	-	-	-	1,154,871	-	751,346	20,731	1,926,948	-	1,926,948
Total		-	-	1,486,736	-	891,785	72,848	2,451,369	(52,973)	2,398,396
Less: Earned revenues		-	-	(177,620)	-	(36,664)	(52,629)	(266,913)	52,973	(213,940)
Net program costs		-	-	1,309,116	-	855,121	20,219	2,184,456	-	2,184,456
Strategic Goal 2: Stimulate Innovation for American Competitiveness										
Intragovernmental		-	199,728	-	97,963	-	52,118	349,809	(51,389)	298,420
With the public		-	662,117	-	716,388	-	20,731	1,399,236	-	1,399,236
Total		-	861,845	-	814,351	-	72,849	1,749,045	(51,389)	1,697,656
Less: Earned revenues	-	-	(909,355)	-	(167,448)	-	(52,630)	(1,129,433)	51,389	(1,078,044)
Net program costs		-	(47,510)	-	646,903	-	20,219	619,612	-	619,612
Strategic Goal 3: Advance Sustainable Economic Development										
Intragovernmental	4	56,369	-	-	-	-	52,118	508,487	(57,790)	450,697
With the public	2,0	87,064	-	-	_	_	20,733	2,107,797	-	2,107,797
Total	2,5	43,433	-	-	-	-	72,851	2,616,284	(57,790)	2,558,494
Less: Earned revenues	(2	82,369)	-	-	-	-	(52,630)	(334,999)	57,790	(277,209)
Net program costs	2,2	61,064	-	-	-	-	20,221	2,281,285	-	2,281,285
Costs not assigned to programs		-	-	-	-	4,681	-	4,681	(368)	4,313
Less: Earned revenues not attributed to programs		-	-	-	-	(9,904)	-	(9,904)	368	(9,536)
NET COST OF OPERATIONS	\$ 2,2	61,064 \$	(47,510) \$	1,309,116 \$	646,903 \$	849,898	\$ 60,659	\$ 5,080,130	\$ - \$	5,080,130

CONSOLIDATING STATEMENT OF CHANGES IN NET POSITION FOR THE YEAR ENDED SEPTEMBER 30, 1999 (IN THOUSANDS)

	NOAA	РТО	ESA	TA	Other Bureaus	General Administration	Intra-Commerce Eliminations	Consolidated Totals
Net Cost of Operations	\$ (2,261,064) \$	47,510	\$ (1,309,116) \$	(646,903)	\$ (849,898)	\$ (60,659)	\$ -	\$ (5,080,130)
Financing Sources:				-				
Appropriations Used	2,396,923	-	1,265,551	647,630	838,008	52,777	-	5,200,889
Other Non-Exchange Revenues	200	-	-	635	1,582	-	-	2,417
Donations	-	-	-	-	-	1,403	-	1,403
Imputed Financing	58,433	22,432	37,019	15,312	11,822	5,810	-	150,828
Transfers - In	-	-	-	-	-	22	-	22
Transfers - Out	(19,410)	-	-	-	(6,713)	(6)	-	(26,129)
Other	4,668	-	-	-	787	-	-	5,455
Net Results of Operations	179,750	69,942	(6,546)	16,674	(4,412)	(653)	-	254,755
Rescissions of Budgetary Resources (Note 21)	-	(72,049)	-	-	-	-	-	(72,049)
Prior Period Adjustments (Note 21)	(2,264)	-	(140)	4,280	(70,766)	-	-	(68,890)
Net Change in Cumulative Results of Operations	177,486	(2,107)	(6,686)	20,954	(75,178)	(653)	-	113,816
Increase (Decrease) in Unexpended Appropriations	(94,554)	-	170,797	26,245	(13,445)	6,675	_	95,718
Change in Net Position	82,932	(2,107)	164,111	47,199	(88,623)	6,022	-	209,534
Net Position - Beginning of Period	4,105,125	366,578	155,693	911,423	1,152,829	(1,208)	_	6,690,440
Net Position - End of Period	\$ 4,188,057 \$	364,471	\$ 319,804 \$	958,622	\$ 1,064,206	\$ 4,814	\$ -	\$ 6,899,974

COMBINED STATEMENT OF BUDGETARY RESOURCES FOR THE YEAR ENDED SEPTEMBER 30,1999 (IN THOUSANDS)

BUDGETARY RESOURCES:

Budget Authority Unobligated Balances - Beginning of Period Net Transfers Prior-Year Balance, Actual Spending Authority from Offsetting Collections Adjustments (Note 23)	\$	5,538,341 660,624 9,884 2,190,105 (98,528)
Total Budgetary Resources	\$	8,300,426
STATUS OF BUDGETARY RESOURCES:		
Obligations Incurred	\$	7,699,273
Unobligated Balances - Available Unobligated Balances - Not Available		454,032 147,121
	•	
Total, Status of Budgetary Resources	<u> </u>	8,300,426
OUTLAYS:		
Obligations Incurred	\$	7,699,273
Less: Spending Authority from Offsetting Collections and Adjustments		(2,321,432)
Obligated Balance, Net - Beginning of Period		3,595,096
Less: Obligated Balance, Net - End of Period	Φ.	(3,807,061)
Total Net Outlays	\$	5,165,876

The accompanying notes are an integral part of these statements.

COMBINED STATEMENT OF FINANCING FOR THE YEAR ENDED SEPTEMBER 30,1999 (IN THOUSANDS)

Resources Used to Finance Activities

Budgetary		
Obligations Incurred	\$ 7,699,273	
Less: Spending Authority from Offsetting Collections and Adjustments	(2,321,432)	
Net Budgetary Resources Used to Finance Activities	5,377,841	
Non-budgetary		
Financing Imputed for Cost Subsidies	150,828	
Exchange Revenue Not in the Budget	(26,956)	
Other	1,168	
Net Non-budgetary Resources Used to Finance Activities	125,040	
Total Resources Used to Finance Activities		\$ 5,502,881
Resources Used That Do Not Finance Components of Net Cost of Operations		
Net Increase in Obligations Incurred for Goods, Services, and Benefits Ordered		
But Not Yet Received or Provided	(178,683)	
Budgetary Offsetting Collections That Do Not Affect Net Cost of Operations:		
Net Increase in Revenue Collected in Advance	71,987	
Collections of Loan Principal Credit Program Collections that Increase Liabilities for Loan Guarantees or	10,168	
Allowance for Subsidy Cost	3,594	
Collections of the Damage Assessment and Restoration Revolving Fund	12,889	
Adjustments Made to Compute Net Budgetary Resources That Do Not Affect Net Cost of Operations:	12,007	
Net Increase in Unfilled Customer Orders	31,156	
Resources that Finance the Acquisition of Assets	(806,653)	
Resources that Finance Costs Recognized in Prior Periods	(14,849)	
Other	5,305	
Total Resources Used That Do Not Finance Components of Net Cost of Operations		(865,086)
Components of Net Cost of Operations That Do Not Require or Generate Resources		
Depreciation and Amortization	528,463	
Net Losses (Gains) on Dispositions of Assets	(1,075)	
Revaluation of Assets and Liabilities	5,079	
Exchange Revenue Not Generating Resources	(90,588)	
Downward Subsidy Reestimates for Post-FY 1991 Loan Programs	(17,558)	
Other	(471)	
Total Components of Net Cost of Operations That Do Not Require Resources		423,850
Costs That Will Be Financed With Budgetary Resources Received in Future Periods		18,485
Net Cost of Operations	;	\$ 5,080,130

The accompanying notes are an integral part of these statements.

REQUIRED SUPPLEMENTARY INFORMATION

DEFERRED MAINTENANCE

Deferred maintenance is maintenance that was not performed when it should have been, that was scheduled and not performed, or that was delayed for a future period. Maintenance is the act of keeping fixed assets in acceptable operating condition and includes preventive maintenance, normal repairs, replacement of parts and structural components, and other activities needed to preserve the asset so that it can deliver acceptable performance and achieve its expected life. Maintenance excludes activities aimed at expanding the capacity of an asset or otherwise upgrading it to serve needs different from or significantly greater than those originally intended.

NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION (NOAA)

NOAA uses the Condition Assessment Survey method (CAS) to identify and quantify deferred maintenance for all classes of property. CAS is applied to properties meeting a \$200,000 capitalization threshold criterion, and requires a periodic inspection of real property to determine its current condition and to estimate the cost likely to be incurred by the correction of any deficiencies.

The following indicates the total deferred maintenance projects, by major class of real property, with an estimated project cost greater than \$50,000:

CLASS OF PROPERTY	Number of Projects	AMOUNT (In Thousands)
Building	29	\$5,870
Land	1	74
Total Deferred Maintenance	30	\$5,944

While the CAS for the above facilities indicated that one or more of the building systems is in less than acceptable operating condition, NOAA has not established a "facility condition code" to classify the condition of the individual facilities. The total deferred maintenance costs indicated could therefore vary by as much as 10 percent, or from \$5.3 million to \$6.5 million.

NATIONAL INSTITUTE OF STANDARDS AND TECHNOLOGY (NIST)

NIST similarly uses the CAS method to determine deferred maintenance. Under this method, the condition of physical assets such as property, plant, and equipment (PP&E) is valued using a basic five-point scale, with 1 representing excellent condition; 2, good condition; 3, acceptable condition; 4, poor condition; and 5, very poor condition. Assets that are valued at 4 or 5 require repairs and maintenance to increase their value to 3, or acceptable condition.

In FY 1999, NIST determined that it had nearly \$790 million in backlog repairs and maintenance related to PP&E. A substantial amount of this qualified as deferred maintenance. The following table shows the estimated deferred maintenance costs, in thousands of dollars, for the major classes of NIST's PP&E:

CLASS OF PROPERTY	METHOD	ASSET CONDITION	ESTIMATED COST TO RETURN TO ACCEPTABLE CONDITION (IN THOUSANDS)
Mechanical and electrical devices	CAS	4	\$347,000 - \$520,000
Building (Internal Structures)	CAS	4	121,000 - 182,000
Building (External Structures)	CAS	4	57,000 - 86,000
Total Deferred Maintenance			\$525,000 - \$788,000

WORKING CAPITAL FUND

The Working Capital Fund's (WCF's) mission is to provide, in the most efficient and economical manner possible, the centralized services required by the operating entities of the Department of Commerce and by agencies outside the Department. The WCF operates on a revolving fund basis, whereby the cost of goods and services is financed by charging current operating expenses back to the customer. The overall financial goal of the fund is to remain at break-even position.

Services. The WCF provides a variety of administrative services to Departmental entities and to other miscellaneous federal agencies. These include all personnel-related services, financial and budget management, legal services, security, acquisition, telecommunications, and public affairs.

Major Customers. The three major customers of the WCF are NOAA, accounting for 23.6 percent of fund revenues; Census (15.8 percent); and ITA (15.6 percent).

Summary of Cost and Related Exchange Revenues by Line of Business For the Year Ended September 30, 1999 (In Thousands)

Line of Business	Related Services	Financial Management	Legal <u>Services</u>	Administrative <u>Services</u>	<u>Total</u>
Full Cost of Services Provided	\$ 15,448	\$ 19,632	\$ 24,669	\$ 40,898	\$100,647
Less: Exchange Revenues	(14,803)	(18,815)	(23,638)	(39,184)	(96,440)
Excess of Costs over Exchange Revenues	\$ 645	\$ 817	\$ 1,031	\$ 1,714	\$ 4,207

FRANCHISE FUND

The Department's Franchise Fund has three major goals:

- * To operate on the lines of a commercial business, by becoming self-sustaining and capable of achieving full cost recovery and by becoming competitive, without subsidies, in an open-market environment.
- * To encourage competition and the operation of market forces in the delivery of administrative services, in order to both lower costs and to promote better service.
- * To create a customer-oriented workforce that is capable of providing quality services and products.

Services. The Franchise Fund comprises only one service provider, the Office of Computer Services (OCS). The OCS provides information technology services to Departmental offices as well as to external agencies such as the Treasury Financial Management Services, the Customs Service, the Equal Employment Opportunity Commission, and the General Service Administration.

Major Customers. The major customer of the Franchise Fund, and the only customer accounting for more than 15 percent of the fund's revenues, is the Treasury Financial Management Services (64 percent).

Summary of Cost and Related Exchange Revenues by Line of Business For the Year Ended September 30, 1999 (In Thousands)

	Computer
Line of Business	Services
Full Cost of Services Provided	\$ 16,259
Less: Exchange Revenues	(16,472)
Excess of Cost over Exchange Revenues	\$ (213)

INTRAGOVERNMENTAL ASSETS AS OF SEPTEMBER 30,1999 (IN THOUSANDS)

Trading Partner	Partner Code	Fund Balance with Treasury	Accounts Receivable, Net	Investments in Treasury Securities, Net	Advances and Prepayments
Others	00	\$ -	\$ 2,274	\$ -	\$ -
Library of Congress	03	-	1	-	69
Government Printing Office	04	-	-	-	137
Other Legislative Branch Agencies	09	-	2	-	-
Department of Agriculture	12	-	663	-	7,598
Department of Interior	14	_	1,963	_	_
Department of Justice	15	-	98	_	2
Department of Labor	16	_	146	_	_
Department of the Navy	17	_	208	_	_
United States Postal Office	18	_	235	_	363
Department of State	19		2,820		1.794
Department of state Department of the Treasury	20	4,700,185	2,891	10,530	1,/94
Department of the Army	21	4,700,103	149	10,550	
Office of Personnel Management	24	_	6,507	_	_
Social Security Administration	28	_	25	_	_
Department of Veterans Affairs	36	_	23	_	_
U.S. Equal Employment Opportunity Corporation	45	_	204	_	_
General Services Administration	47	-	7,735	-	2,850
National Science Foundation	49	-	280	-	_
Central Intelligence Agency	56	-	62	-	-
Department of the Air Force	57	-	193	-	42
Federal Emergency Management Agency	58	-	232	-	-
Consumer Product Safety Commission	61	-	66	-	-
Tennessee Valley Authority	64	-	1	-	-
Environmental Protection Agency	68	-	5,899	-	66
Department of Transportation	69	-	23,024	-	3,085
Agency for International Development	72	-	1,969	-	-
Small Business Administration	73	-	606	-	-
Department of Health and Human Services	75	-	209	-	-
National Aeronautics and Space Administration	80	-	(6)	-	-
Export-Import Bank of the United States	83	-	208	-	-
National Archives and Records Administration	88	-	20	-	-
Department of Energy	89	-	463	-	-
Selective Service System	90	-	479	-	-
Department of Education	91	-	3,713	-	-
Independent Agencies	95	-	68	-	-
U.S. Army Corps of Engineers	96	-	-	-	133
Office of the Secretary of Defense - Defense Agencies	97		22,461	-	34
Total		\$ 4,700,185	\$ 85,891	\$ 10,530	\$ 16,173

INTRAGOVERNMENTAL LIABILITIES AS OF SEPTEMBER 30,1999 (IN THOUSANDS)

T. N. D.	Partner	Accounts	Debt to	Resources Payable to	Unearned	0.1
Others Trading Partner	Code 00	Payable \$ 6,666	Treasury -	Treasury \$ -	Revenue \$ 4,857	Other \$ 48
Library of Congress	03	5 0,000	5 -	5 -	37	\$ 46
Government Printing Office	03	10,244	-	-	7	-
General Accounting Office	05	10,244	-	-	6	-
Congressional Budget Office	08	-	-	-	1	-
	08		-	-	6	-
Other Legislative Branch Agencies		22	-	-		-
Executive Office of the President	11	70	-	-	84	-
Department of Agriculture	12	139	-	-	2,482	-
Department of Interior	14	1,797	-	-	2,801	7
Department of Justice	15	109	-	-	14,894	-
Department of Labor	16	216	-	-	19,804	23,397
Department of the Navy	17	252	-	-	1,416	-
United States Postal Service	18	106	-	-	12	-
Department of State	19	22,645	-	-	6,926	16
Department of the Treasury	20	25,088	151,894	92,309	4,967	3,598
Department of the Army	21	332	-	-	3,238	-
Office of Personnel Management	24	419	-	-	3,633	19,669
Federal Retirement Thrift Investment Board	26	-	-	-	-	2,024
Federal Communications Commission	27	-	-	-	1	-
Social Security Administration	28	76	-	-	1,369	1,008
U.S. Nuclear Regulatory Commission	31	3	-	-	194	-
Smithsonian Institution	33	-	-	-	1	-
Department of Veterans Affairs	36	-	-	-	202	-
U.S. Equal Employment Opportunity Commission	45	-	-	-	19	-
General Services Administration	47	32,415	-	-	4,675	-
National Science Foundation	49	312	-	-	10,118	-
Central Intelligence Agency	56	-	-	-	1,178	-
Department of the Air Force	57	5	-	-	4,892	-
Federal Emergency Management Agency	58	_	-	_	381	_
Consumer Product Safety Commission	61	_	_	_	9	_
Tennessee Valley Authority	64	_	_	_	25	_
United States Information Agency	67	_	_	_	8	_
Environmental Protection Agency	68	100	_	_	4,961	_
Department of Transportation	69	947	_	_	36,607	_
Overseas Private Investment Corporation	71	747			22	
Agency for International Development	72	4	-	_	10,235	_
Small Business Administration	73	(5)	-	_	2,041	_
Department of Health and Human Services	75 75	12,028	-	-	15,088	-
•			-	-		-
National Aeronautics and Space Administration	80	34,653	-	-	8,322	-
Department of Housing and Urban Development	86	-	-	_	16,353	-
National Archives and Records Administration	88	-	-	-	71	-
Department of Energy	89	420	-	-	5,484	-
Department of Education	91	-	-	-	13,601	-
Federal Mediation & Conciliation Service	93	-	-	-	834	-
Independent Agencies	95	460	-	-	983	-
U.S. Army Corps of Engineers	96	440	-	-	572	-
Office of the Secretary of Defense - Defense Agencies	97	36,825	-	-	68,932	-
Total		\$ 186,798	\$ 151,894	\$ 92,309	\$ 272,349	\$ 49,767

INTRAGOVERNMENTAL TRANSFERS OF NON-EXCHANGE REVENUE FOR THE YEAR ENDED SEPTEMBER 30, 1999 (IN THOUSANDS)

Trading Partner	Partner Code	Tran	sfers-Out
Department of the Treasury	20	\$	(1,582)

COMBINING STATEMENT OF BUDGETARY RESOURCES BY MAJOR BUDGET ACCOUNTS FOR THE YEAR ENDED SEPTEMBER 30,1999 (IN THOUSANDS)

	Combined Totals	NOAA Operations, Research & Facilities	PTO Salaries and Expenses	NOAA Procurement Acquisition & Construction	NIST Industrial Technology Services	ITA Operations and Administration	CENSUS Periodic Censuses & Programs	EDA Grant Fund	Other Programs
BUDGETARY RESOURCES: Budget Authority Unobligated Balances - Beginning of Period Net Transfers Prior-Year Balance, Actual Spending Authority from Offsetting Collections Adjustments	\$ 5,538,341 660,624 9,884 2,190,105 (98,528)	\$ 1,668,261 168,807 5,395 265,030 32,478	\$ (1,049) 121,579 - 888,213 (202,927)	\$ 583,679 52,715 - 13 339	\$ 310,179 33,408 - 22,291	\$ 302,018 20,173 7,023 13,952 8,511	\$ 1,223,678 10,204 - - 4,159	\$ 387,479 47,550 - 28,633	\$ 1,064,096 206,188 (2,534) 1,022,897 7,988
Total Budgetary Resources	\$ 8,300,426	\$ 2,139,971	\$ 805,816	\$ 636,746	\$ 365,878	\$ 351,677	\$ 1,238,041	\$ 463,662	\$ 2,298,635
STATUS OF BUDGETARY RESOURCES: Obligations Incurred Unobligated Balances - Available Unobligated Balances - Not Available Total, Status of Budgetary Resources	\$ 7,699,273 454,032 147,121 \$ 8,300,426	\$ 2,020,212 88,962 30,797 \$ 2,139,971	\$ 803,571 2,245 - \$ 805,816	\$ 595,185 41,561 - \$ 636,746	\$ 297,327 68,551 - \$ 365,878	\$ 339,224 11,460 993 \$ 351,677	\$ 1,233,305 4,736 - \$ 1,238,041	\$ 386,384 17,119 60,159 \$ 463,662	\$ 2,024,065 219,398 55,172 \$ 2,298,635
OUTLAYS:									
Obligations Incurred Less: Spending Authority from Offsetting Collections and Adjustments Obligated Balance, Net - Beginning of Period Less: Obligated Balance, Net - End of Period	\$ 7,699,273 (2,321,432) 3,595,096 (3,807,061)	\$ 2,020,212 (297,508) 830,522 (735,017)	\$ 803,571 (898,969) 292,940 (245,253)	\$ 595,185 (352) 294,940 (297,905)	\$ 297,327 (28,291) 528,999 (473,558)	\$ 339,224 (22,463) 83,171 (104,886)	\$ 1,233,305 (4,159) 164,862 (409,915)	\$ 386,384 (29,477) 964,931 (973,171)	\$ 2,024,065 (1,040,213) 434,731 (567,356)
Total Net Outlays	\$ 5,165,876	\$ 1,818,209	\$ (47,711)	\$ 591,868	\$ 324,477	\$ 295,046	\$ 984,093	\$ 348,667	\$ 851,227

INTRAGOVERNMENTAL GROSS COST AND EARNED REVENUE BY BUDGET FUNCTION CLASSIFICATION FOR THE YEAR ENDED SEPTEMBER 30,1999 (IN THOUSANDS)

Number	Title	ross Cost Operations	Earned Revenue	Net Cost Operations
300	Natural Resources and Environment	\$ 443,079	\$ (203,776)	\$ 239,303
370	Commerce and Housing Credit	777,486	(281,736)	495,750
450	Community and Regional Development	4,313	(4,535)	(222)
	Total	\$ 1,224,878	\$ (490,047)	\$ 734,831

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CONSOLIDATING BALANCE SHEET AS OF SEPTEMBER 30, 1999 (IN THOUSANDS)

	С	onsolidated Totals	tra-Commerce Eliminations	BXA	Census	EDA	ESA/BEA		Franchise Fund
ASSETS		101115		511.1	Census	22.1	2011/2211		1 0110
Intragovernmental: Fund Balance with Treasury Accounts Receivable, Net Investments in Treasury Securities, Net Advances and Prepayments	\$	4,700,185 85,891 10,530 16,173	\$ - \$ (25,682) - (20,063)	20,991 833 - 231	\$ 577,778 1,477 - 478	\$ 1,021,396 42 - 11,238	192	2	(2,700 5,171
Total Intragovernmental		4,812,779	(45,745)	22,055	579,733	1,032,676	10,550)	2,524
Cash Accounts Receivable, Net Loans Receivable and Related Foreclosed Property, Net		11,694 52,926 290,744	-	285	1,568	- 674 90,207	134	- 1	
Inventory, Materials and Supplies General Property, Plant, and Equipment, Net Advances and Prepayments Other		104,926 4,082,449 24,932 18,135	- - -	- 574 17 -	2,156 42,844 - 1,517	2,257	1,486) 5	226
TOTAL ASSETS	\$	9,398,585	\$ (45,745) \$	22,931	\$ 627,818	\$ 1,125,814	\$ 12,230) \$	2,750
LIABILITIES Intragovernmental: Accounts Payable Debt to Treasury Resources Payable to Treasury Unearned Revenue Other	\$	186,798 151,894 92,309 272,349 49,767	\$ (25,682) \$ - (20,063)	1,459 - 281 4,799 414	\$ 32,563 - 77,708 11,828	\$ 3,181 - 46,389 31,729 593			803 - 764 57
Total Intragovernmental		753,117	(45,745)	6,953	122,099	81,892	1,290)	1,624
Accounts Payable Accrued Payroll and Annual Leave NOAA Corps Employee Retirement Benefits and		544,922 308,080	-	2,343 3,297	82,471 71,163	131,332 2,810	648 4,432		383 273
Actuarial FECA Liability Environmental Cleanup Costs Liabilities Capital Lease Liabilities Unearned Revenue Other		437,163 33,678 36,005 371,594 14,052	- - - -	315 - - 71 -	32,804 - 73 5,144	1,718 100 - -	26 92	-	122 - - -
TOTAL LIABILITIES	\$	2,498,611	\$ (45,745) \$	12,979	\$ 313,754	\$ 217,852	\$ 6,490) \$	2,402
NET POSITION Unexpended Appropriations Cumulative Results of Operations	\$	2,968,199 3,931,775	\$ - \$ -	11,705 (1,753)	323,165 (9,101)	\$ 861,200 46,762	\$ 4,173 1,567		348
TOTAL NET POSITION	\$	6,899,974	\$ - \$	9,952	\$ 314,064	\$ 907,962	\$ 5,740) \$	348
TOTAL LIABILITIES AND NET POSITION	\$	9,398,585	\$ (45,745) \$	22,931	\$ 627,818	\$ 1,125,814	\$ 12,230) \$	2,750

GA	/G&B	G	A/S&E	G	A/WCF		ITA	N	MBDA		NIST		NOAA		NTIA		NTIS		OIG		PTO		TA
\$	595 -	\$	10,509 5,008	\$	(5,567) 16,399	\$	118,290 2,815	\$	19,291 330	\$	837,436 2,789	\$ 1	1,261,699 74,386 10,530	\$	96,334 475	\$	39,117 61	\$	4,468 50	\$	673,902 1,545	\$	17,002
	_		338		1,326		3,099		388		13,797		3,323		85		197		180		753		36
	595		15,855		12,158		124,204		20,009		854,022	1	1,349,938		96,894		39,375		4,698		676,200		17,038
	10		3		8		646		6		86 7,632		1,621 40,328		- 167		75 838		1		9,912 626		-
	15		-		- 496		-		-		21,916		200,537 80,009		-		- 275		-		-		-
	89 - -		12 29		8,152 4		5,714 141		213 11		311,254 923 334	3	3,579,698 19,202 10,323		1,530		1,360 9 5,961		16 - -		129,180 2,338		101
\$	709	\$	15,899	\$	20,818	\$	130,705	\$	20,239	\$	1,196,167	\$ 5	5,281,656	\$	98,591	\$	47,893	\$	4,715	\$	818,256	\$	17,139
\$	- -	\$	1,323	\$	5,319	\$	28,038	\$	257	\$	4,471 -	\$	116,592 151,894	\$	1,369	\$	11,087	\$	266	\$	4,189	\$	901
	-		3,045		-		21		33		44,812		45,639 102,978		2,253		14,638		10		2,784		6,604
	-		639		827		3,246		273		5,725		19,285		401		290		358		5,369		68
	-		5,007		6,146		31,305		563		55,008		436,388		4,023		26,015		634		12,342		7,573
	40		1,251 3,171		9,241 5,258		10,626 19,433		1,902 885		119,193 27,639		113,785 107,688		13,621 2,758		1,888 1,565		318 1,907		55,728 55,236		152 565
	- - -		1,130		2,565		7,293 - 117		1,357		8,672 22,497 15,473		375,131 11,081 20,278		364 - 64		760 - -		1,007 - -		3,699		200
	-		-		-		1,380		-		8,599		22,201		547		6,774		-		326,780		4
\$	40	\$	10,559	\$	23,210	\$	7,005 77,159	\$	4,707	\$	257,081	\$ 1	7,047 1,093,599	\$	21,377	\$	37,002	\$	3,866	\$	453,785	\$	8,494
\$	- 669	\$	9,030 (3,690)	\$	(2,392)	\$	72,810 (19,264)	\$	17,070 (1,538)	\$	620,364 318,722	\$ 3	959,992 3,228,065	\$	76,258 956	\$	112 10,779	\$	3,171 (2,322)	\$	364,471	\$	9,149 (504
\$	669	\$	5,340	\$	(2,392)	\$	53,546	\$	15,532	\$	939,086		4,188,057	\$	77,214	\$	10,891	\$	849	\$	364,471	\$	8,645
\$	709	\$	15.899	\$		\$	130,705	\$	20,239		1,196,167		5,281,656	\$	98,591	\$	47,893	\$	4,715	\$	818,256	\$	17,139
Ψ	, 0,	Ψ	10,0//	Ψ	20,010	*	-50,,00	4		¥	-,,-,	Ψ	,_01,000	Ψ	, 0, 0, 1	4	.,,0,5	Ψ	.,,	Ψ.	5.0,200	<u> </u>	1,,15)

CONSOLIDATING STATEMENT OF NET COST RESPONSIBILITY SEGMENT DETAIL FOR THE YEAR ENDED SEPTEMBER 30,1999 (IN THOUSANDS)

COSTS:

Strategic Goal 1: Expand Economic Growth, Trade, and Prosperity Intragovernmental With the public

Total Less: Earned revenues Net program costs

Strategic Goal 2: Stimulate Innovation for American Competitiveness

Intragovernmental With the public

Net program costs

Strategic Goal 3: Advance Sustainable Economic Development

Intragovernmental With the public

Total Less: Earned revenues

Net program costs

Costs not assigned to programs

Less: Earned revenues not attributed to programs

NET COST OF OPERATIONS

_					
			ESA		
				(ombined
ᆫ	Census	E	SA/BEA		Totals
\$	311,688	s	20,177	s	331,865
ľ	1,117,104	-	37,767	-	1,154,871
Н	1,428,792		57,944		1,486,736
	(171,920)		(5,700)		(177,620)
H	1,256,872		52,244		1,309,116
	, ,				
	-		-		-
	-		-		-
	-		-		-
L					
	-		-		-
	-		-		-
H					
	-		-		-
H	-		-		-
	-		-		-
\$	1,256,872	s	52,244	s	1,309,116

	TA		6 11 1
NIST	NTIS	TA	Combined Totals
.4131	11115	1.4	Totais
\$ - S	- S	- \$	
-	-	- '	-
-	-	-	-
-	-	-	-
-	-	-	-
88,157	7,512	2,294	97,963
680,084 768,241	29,036 36,548	7,268 9,562	716,388 814,351
(132,938)	(33,307)	(1,203)	(167,448)
635,303	3,241	8,359	646,903
,	-,	0,000	,
-	-	-	
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
\$ 635,303 \$	3,241 \$	8,359 \$	646,903

COSTS:

Strategic Goal 1: Expand Economic Growth, Trade, and Prosperity Intragovernmental With the public Total Less: Earned revenues Net program costs

Strategic Goal 2: Stimulate Innovation for American Competitiveness

Intragovernmental

With the public
Total
Less: Earned revenues
Net program costs

Strategic Goal 3: Advance Sustainable **Economic Development**

Intragovernmental With the public Total Less: Earned revenues

Net program costs

Costs not assigned to programs

Less: Earned revenues not attributed to programs

NET COST OF OPERATIONS

				Other	Bu	reaus			
	BXA	EDA		ITA		MBDA	NTIA	Co	mbined Totals
s	22,856	\$	s		s	5,707	\$ 14,415	\$	140,439
	35,765	395,026		247,348		24,793	48,414		751,346
	58,621	395,026		344,809		30,500	62,829		891,785
	(5,038)	 		(13,352)		(300)	(17,974)		(36,664)
	53,583	\$ 395,026		331,457		30,200	44,855		855,121
	-	-		-		-	-		-
	_	_		_		_	_		_
	-	-		-		-	-		-
	-	-		-		-	-		-
	-	-		-		-	-		-
	-	-		-		-	-		
	-	-		-		-	-		-
	-	4,681		-		-	-		4,681
	-	(9,904)				-	-		(9,904)
s	53,583	\$ 389,803	s	331,457	s	30,200	\$ 44,855		849,898

				General Adr	nini	stration		
	ranchise	GUGAR		C+ (C 0 E			ore	Combined
	Fund	GA/G&B		GA/S&E	· ·	A/WCF	OIG	Totals
\$	3,819		S		\$		3 2,278	
	1,600	418		9,597		4,238	4,878	20,73
	5,419	418		26,306		33,549	7,156	72,84
	(5,490)			(14,889)		(32,147)	(103)	(52,62)
	(71)	418		11,417		1,402	7,053	20,219
	3,820	-		16,709		29,311	2,278	52,111
	1,600	418		9,597		4,238	4,878	20,73
	5,420	418		26,306		33,549	7,156	72,84
	(5,491)	-		(14,889)		(32,147)	(103)	(52,63)
	(71)	418		11,417		1,402	7,053	20,219
	3,820			16,709		29,311	2,278	52,111
	1,600	419		9,597		4,239	4,878	20,73
_	5,420	419		26,306	_	33,550	7,156	72,85
	(5,491)			(14,889)		(32,147)	(103)	(52,63)
	(71)	419		11,417		1,403	7,053	20,22
	-			-		-	-	
	-			-		-	-	
s	(213)	\$ 1,255		34,251	s	4,207	\$ 21,159	\$ 60,659

CONSOLIDATING STATEMENT OF CHANGES IN NET POSITION RESPONSIBILITY SEGMENT DETAIL FOR THE YEAR ENDED SEPTEMBER 30,1999 (IN THOUSANDS)

Net Cost of Operations

Financing Sources:

Appropriations Used Other Non-Exchange Revenues

Donations Imputed Financing

Transfers - In Transfers - Out

Net Results of Operations

Rescissions of Budgetary Resources

Prior Period Adjustments

Net Change in Cumulative Results of Operations

Increase (Decrease) in Unexpended Appropriations

Change in Net Position

Net Position - Beginning of Period

Net Position - End of Period

	ESA	
Census	ESA/BEA	Combined Totals
\$ (1,256,872)	\$ (52,244)	\$ (1,309,116)
1,216,123	49,428	1,265,551
-	-	-
-		-
34,492	2,527	37,019
-	-	-
-	-	-
(6,257)	(289)	(6,546)
-	-	-
-	(140)	(140)
(6,257)	(429)	(6,686)
172,231	(1,434)	170,797
165,974	(1,863)	164,111
148,090	7,603	155,693
\$ 314,064	\$ 5,740	\$ 319,804

	TA				
NIST	NTIS	TA	Combined Totals		
\$ (635,303)	\$ (3,241)	\$ (8,359)	\$ (646,903)		
638,479	1,081 635	8,070	647,630 635		
13,861	1,287	164	15,312		
-	-	-	-		
17,037	(238)	(125)	16,674		
4,280	-	-	4,280		
21,317	(238)	(125)	20,954		
24,746	112	1,387	26,245		
46,063	(126)	1,262	47,199		
893,023	11,017	7,383	911,423		
\$ 939,086	\$ 10,891	\$ 8,645	\$ 958,622		

Net Cost of Operations

Financing Sources: Appropriations Used

Other Non-Exchange Revenues Donations

Imputed Financing

Transfers - In

Transfers - Out

Other

Net Results of Operations

Rescissions of Budgetary Resources Prior Period Adjustments

Net Change in Cumulative Results of Operations

Increase (Decrease) in Unexpended Appropriations

Net Position - Beginning of Period

Net Position - End of Period

	Other Bureaus										
	BXA	EDA	ITA	MBDA	NTIA	Combined Totals					
\$	(53,583) \$	(389,803) \$	(331,457) \$	(30,200) \$	(44,855)	\$ (849,898)					
	51,021	390,637	322,473	30,319	43,558	838,008					
	1,582	-	-	-	-	1,582					
	2,268	1,201	6,645	570	1,138	11,822					
			-	-	- 1,130						
	(1,582)	(5,131)	-	-	-	(6,713					
	-		787	-		787					
	(294)	(3,096)	(1,552)	689	(159)	(4,412					
	-	-	-	-	-	-					
	-	(67,892)	(2,874)	-		(70,766					
	(294)	(70,988)	(4,426)	689	(159)	(75,178					
	5,158	(5,446)	(15,180)	(3,371)	5,394	(13,445					
_	4,864	(76,434)	(19,606)	(2,682)	5,235	(88,623					
	5,088	984,396	73,152	18,214	71,979	1,152,829					
\$	9,952 \$	907,962 \$	53,546 \$	15,532 \$	77,214	\$ 1,064,206					

Net Cost of Operations Financing Sources:

Appropriations Used Other Non-Exchange Revenues

Donations

Imputed Financing Transfers - In

Transfers - Out

Other

Net Results of Operations

Rescissions of Budgetary Resources

Prior Period Adjustments

Net Change in Cumulative Results of Operations

Increase (Decrease) in Unexpended Appropriations

Change in Net Position

Net Position - Beginning of Period

Net Position - End of Period

Fr	anchise								ed
	Fund	GA/G&B		GA/S&E	GA/WCF		OIG	Totals	
S	213	\$ (1,25	5) \$	(34,251)	\$ (4,207) \$	(21,159)	\$ (60,	659
	-		-	32,603			20,174	52,	777
	-		-	-			-		
	122	1,40	3	1 227	2.416		1.040		403
	133	2	- ว	1,227	3,410	,	1,040	5,	810 22
		_	2 6)	_			-		(6
	-	(-	-			-		(
	346	16	4	(421)	(797	')	55	(653
	-		-	-			-		
	-		-	-			-		
	346	16	4	(421)	(797)	55	(653
	_		-	5,977			698	6,	67:
	346	16	4	5,556	(797)	753	6,	022
	2	50	5	(216)	(1,595	i)	96	(1,	208
\$	348	\$ 66	9 9	5,340	\$ (2,392	() S	849	s 4.	814

REQUIRED SUPPLEMENTARY STEWARDSHIP INFORMATION

STEWARDSHIP REPORTING

The Stewardship Reporting Section of this report provides information on certain resources entrusted to the Department and certain responsibilities assumed by it. These resources and responsibilities do not meet the criteria for assets and liabilities that are required to be reported in the financial statements but are important to understanding the operations and financial condition of the Department. The Stewardship Reporting Section this year includes information on land not used in general operations and major investments made for the benefit of the nation.

STEWARDSHIP PROPERTY, PLANT, AND EQUIPMENT

HERITAGE ASSETS

Heritage assets are unique for their historical or natural significance; for their cultural, educational, or artistic importance; or for their significant architectural characteristics. They are generally expected to be preserved indefinitely.

NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION (NOAA)

Collection-Type Assets. NOAA's collection-type heritage assets comprise more than 112,000 items, primarily books, publications, manuscripts, records, and nautical chart plates. Information on the condition of individual assets is not available, but collectively their condition varies from excellent to poor. NOAA is also unable to report additions and withdrawals of heritage assets for FY 1999. The agency implemented a personal property reporting system in FY 1999, however, and will in future years therefore be able to provide this information.

Multi-Use Heritage Assets. In cases where an asset has both a heritage function and a practical and predominant use for general government operations, the asset is considered a multi-use heritage asset. The costs of multi-use heritage assets are capitalized as general PP&E and are depreciated over the useful life of the asset.

Galveston Laboratory. NOAA's Galveston laboratory comprises seven buildings that were originally part of Fort Crockett, an Army coastal defense facility built shortly after 1900. Used predominantly for government operations, these buildings are also eligible for placement on the National Register due to their historical significance and also for their exterior architectural features. Two of the seven buildings are undergoing renovation, scheduled for completion in early FY 2000.

NMFS Aquarium. The National Marine Fisheries Service (NMFS) Aquarium in Woods Hole, Massachusetts is jointly used to educate the public and raise public awareness of NMFS activities and to accommodate the Northeast Fisheries Science Center, part of NOAA's mission. The aquarium houses 16 separate exhibition tanks holding more than 30 species of fish. The tanks range in size from 75 to 2,800 gallons.

STEWARDSHIP LAND

Stewardship land represents land not acquired for or in connection with items of general PP&E.

The National Marine Sanctuaries described in the following section are composed primarily of protected water and underwater structures and do not meet the literal definition of stewardship land. They are nonetheless presented here because they have many of the characteristics of stewardship assets.

NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION

National Marine Sanctuaries. In 1972, Congress passed the Marine Protection, Research, and Sanctuaries Act in response to a growing awareness of the intrinsic environmental and cultural value of our coastal waters. The Act authorized the Secretary of Commerce to designate discrete areas as National Marine Sanctuaries. These protected waters provide a secure habitat for species close to extinction and also protect historically significant shipwrecks and prehistoric artifacts. Sanctuaries are also used for recreational diving and sport fishing, and support valuable commercial industries such as fishing and kelp harvesting. To date, the nation has designated 12 National Marine Sanctuaries covering a total area of 17,973 square miles. The sanctuaries range from near-shore coral reefs to open ocean, and range in size from less than 1 to more than 5,300 square miles.

STEWARDSHIP INVESTMENTS

NON-FEDERAL PHYSICAL PROPERTY

Non-federal physical property is property financed by the Department but owned by state or local government. Property of this nature is reported by NOAA and the Economic Development Administration (EDA).

NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION

National Estuarine Research Reserves. The National Estuarine Research Reserve System (NERRS) is a network of 25 estuarine reserves protected by federal, state, and local partnerships. The network was created with the passage of the Coastal Zone Management Act of 1972, and as of September 30, 1999 encompassed more than 960,000 acres of estuarine waters, wetlands, and uplands. Most of the reserves are state-operated and -managed in cooperation with NOAA. Annual investment in non-federal physical property related to NERRS totaled \$6,660,000 and \$8,889,000 in FY 1999 and FY 1998, respectively.

Coastal Zone Management Fund. The Coastal Zone Management Fund is responsible for the incidental expenses of land acquisition and low-cost construction for the preservation or restoration of coastal resources and habitats; for the redevelopment of deteriorating and urbanized waterfronts and ports; and for the provision of public access to beaches and coastal areas. Total annual investments for FY 1999 and FY 1998 amounted to \$2,610,000 and \$2,600,000, respectively.

ECONOMIC DEVELOPMENT ADMINISTRATION

The EDA provides funding to state and local governments to support job creation and retention in economically distressed areas of the United States. Funding takes the form of grants for the development of roads and infrastructure for new industrial parks, for clean water and environmental projects, and for the conversion of former military facilities to civilian-based economic activity. The EDA also awards grants for the repair of damage caused to infrastructure and economic development-related facilities by floods and other disasters. No transfers of federal properties take place under these programs.

The following table indicates the investments made in non-federal physical property, in millions of dollars, from 1995 to 1999. Each investment requires a matching investment by state and local government of between 20 and 50 percent.

CATEGORY	1995	1996	1997	1998	1999
Public Works	\$194.5	\$164.8	\$159.0	\$126.5	\$180.8
Economic & Defense Adjustments	174.4	139.8	118.3	128.3	139.7
Disasters	168.7	12.9	41.8	59.9	60.5
Total	\$537.6	\$317.5	\$319.1	\$314.7	\$381.0

HUMAN CAPITAL

Human capital investments are expenses incurred for education and training programs that are intended to increase or maintain national economic productive capacity.

NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION

National Sea Grant. The National Sea Grant (NSG) is a partnership between the nation's universities and NOAA, comprising 29 Sea Grant Colleges. The partnership was initiated in 1966 when Congress passed the National Sea Grant College Program Act, with the objective of making the United States the world leader in marine research and in the sustainable development of marine resources. The NSG funds research programs and transfers new knowledge to coastal businesses, marine industries, government, and the public.

NSG research projects are funded on the basis of rigorous, highly competitive peer reviews. To date, the program has supported the work of approximately 12,000 graduate research assistants in marine and Great Lakes science.

National Estuarine Research Reserve Program. The National Estuarine Research Reserve Program supports activities designed to increase public awareness of estuary issues, to provide information to improve management decisions in estuarine areas, and to train graduate students in estuarine science.

The following table indicates, in thousands of dollars, FY 1998-FY 1999 funding of the above programs:

Program	Total Investments FY 1998	Total Investments FY 1999
National Sea Grant	\$17,496	\$17,816
National Estuarine Research		
Reserve Program	790	677
Total	\$18,286	\$18,493

^{*} In addition to the investments shown, the NSG received an additional \$1,084,000 in FY 1998 and \$800,000 in FY 1999 on a pass-through basis from other federal agencies. The additional sums were contributed to the Sea Grant Human Capital Program, and were matched by investments from the Sea Grant universities of \$8,288,000 in FY 1998 and \$8,529,000 in FY 1999.

ECONOMIC DEVELOPMENT ADMINISTRATION

The EDA provides annual grants for training and technical assistance for economic development. The following table indicates the agency's investments in human capital, in millions of dollars, for FY 1995-FY 1999:

CATEGORY	FY 1995	FY 1996	FY 1997	FY 1998	FY 1999
Local Technical Assistance	\$9.2	\$8.5	\$8.9	\$8.4	\$8.3
Research Assistance and National Technical Assistance	3.1	2.1	2.0	1.6	1.9
Total	\$12.3	\$10.6	\$10.9	\$10.0	\$10.2

RESEARCH AND DEVELOPMENT

Investments in Research and Development (R&D) include expenses incurred to support the search for new or refined knowledge/ideas and for the application or use of such knowledge/ideas to the development of new or improved products and processes. The objective of such investment is to assist in the maintenance or enhancement of national economic productive capacity or to otherwise yield related future benefits.

NATIONAL INSTITUTE OF STANDARDS AND TECHNOLOGY (NIST)

Measurement and Standards Laboratories (MSL) Program. The MSL Program develops and delivers measurement techniques, reference data, test methods, standards, and other types of infrastructural technologies and services that provide a foundation for industry in all stages of commerce: research, development, testing, production, and marketing. NIST laboratories also support U.S. firms in the global marketplace by working to eliminate the trade barriers inherent in the use of different national standards, testing, and certification requirements.

NIST initiates approximately four new impact studies annually, focusing on projects with substantial histories. Studies conducted over the last five years indicate that MSL outputs have generated rates of return on R&D that exceed the estimated average returns on R&D conducted by private industry. NIST currently has seven impact studies underway: Standard Reference Materials (SRMs), for sulfur in fossil fuels; Josephson voltage standard; digital encryption standards; role-based access control for communications security; cholesterol measurement; and laser and fiberoptic power device calibration.

Advanced Technology Program (ATP). The ATP strategic goal is to accelerate technological innovation and the development of new technologies that are likely to underpin future economic growth. The program attracted more than 400 proposals in FY 1999, with 37 projects ultimately being approved for funding. The winning projects addressed a broad array of technologies, including pharmaceutical design, tissue engineering, industrial catalysts, energy storage, image processing, manufacturing control systems, electronics manufacturing, computer software, and electro-optics. The majority of the awards (26) went to small businesses, and more than 20 universities are involved as joint-venture partners or subcontractors. If carried through to completion, the 37 projects will be funded at approximately \$102 million from private industry, matched by approximately \$110 million from the ATP.

The following table indicates the investments in R&D, in thousands of dollars, made during FY 1998 and FY 1999:

CATEGORY		REMENT & LABORATORIES		TECHNOLOGY	Consolidated Totals		
	FY 1998	FY 1999	FY 1998	FY 1999	FY 1998	FY 1999	
Basic Research	\$46,489	\$49,509	\$ -	\$ -	\$46,489	\$49,509	
Applied Research	239,056	238,119	101,465	92,790	340,521	330,909	
Development	23,225	19,675	101,465	92,790	124,690	112,465	
Total	\$308,770	\$307,303	\$202,930	\$185,580	\$511,700	\$492,883	

NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION

NOAA conducts a substantial program of environmental research and development in support of its mission, much of which is performed to improve understanding of and our ability to predict environmental phenomena. The scope of research includes: improving predictions and warnings associated with the weather on time scales ranging from minutes to weeks; improving predictions of climate on time scales ranging from months to centuries; improving the necessary infrastructure for operations from aircraft navigation to mass population evacuation; and improving our understanding of natural relationships to better predict and manage renewable marine resources and coastal and ocean ecosystems.

NOAA also conducts research that is intended to provide a solid scientific basis for environmental policymaking in government. Examples of that work include determining the stratospheric ozone depleting potential of proposed substitutes for chlorofluorocarbons (CFCs) and identifying the causes of the episodic high rural ozone levels that significantly damage crops and forests.

Infrastructure (Ships and Aircraft). Most R&D to improve the infrastructure supporting ship and aircraft operations is conducted in-house, but most systems development is performed under contract. External R&D conducted by NOAA included that undertaken through the National Sea Grant Program, the Cooperative Institutions of the Environmental Research Laboratories, the Climate and Global Change Program, and the Coastal Ocean Program.

Environmental and Climate. The Office of Ocean and Atmospheric Research (OAR) conducted research in five major areas: interannual and seasonal climate, global change, weather, the marine environment, and undersea.

Fisheries. Fisheries R&D consists largely of the collection and analysis of information on the status of fishery resources and protected species, and of conducting programs to develop fisheries for economic growth.

Weather Service. NOAA is funding the development of a new weather service system, the Advance Weather Interactive Processing System (AWIPS), for the modernization of its weather service.

The following table indicates the investment in R&D, in millions of dollars, made during FY 1998 and FY 1999:

CATEGORY	Infrastructure (Ships and Aircraft)		Environmental and Climate		FISHERIES		Weather Service		Totals	
	FY 98	FY 99	FY 98	FY 99	FY 98	FY 99	FY 98	FY 99	FY 98	FY 99
Research	\$503.2	\$535.9	\$233.7	\$253.5	\$211.3	\$239.2	\$ -	\$ -	\$948.2	\$1,028.6
Development	34.6	45.6	-	-	-	-	11.8	6.3	46.4	51.9
Total	\$537.8	\$581.5	\$233.7	\$253.5	\$211.3	\$239.2	\$11.8	\$6.3	\$994.6	\$1,080.5